

ORIGINAL

COMMISSIONERS
KRISTIN K. MAYES – Chairman
GARY PIERCE
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP

OPEN MEETING ITEM



0000112775

ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

DOCKETED

DATE: JUNE 7, 2010

JUN - 7 2010

DOCKET NOS.: W-03211A-08-0621 and W-03211A-08-0622



TO ALL PARTIES:

Enclosed please find the recommendation of Administrative Law Judge Yvette B. Kinsey. The recommendation has been filed in the form of an Order on:

F. WAYNE & DOROTHY THOMPSON dba
WEST VILLAGE WATER CO.
(RATES/FINANCE)

Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Administrative Law Judge by filing an original and thirteen (13) copies of the exceptions with the Commission's Docket Control at the address listed below by 4:00 p.m. on or before:

JUNE 16, 2010

The enclosed is NOT an order of the Commission, but a recommendation of the Administrative Law Judge to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Open Meeting to be held on:

JUNE 29, 2010 and JUNE 30, 2010

For more information, you may contact Docket Control at (602) 542-3477 or the Hearing Division at (602)542-4250. For information about the Open Meeting, contact the Executive Director's Office at (602) 542-3931.

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1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 COMMISSIONERS

3 KRISTIN K. MAYES, Chairman
4 GARY PIERCE
5 PAUL NEWMAN
6 SANDRA D. KENNEDY
7 BOB STUMP

8 IN THE MATTER OF THE APPLICATION OF
9 F. WAYNE & DOROTHY THOMPSON DBA
10 WEST VILLAGE WATER CO. FOR
11 AUTHORITY TO INCUR DEBT TO FINANCE
12 WATER SYSTEM IMPROVEMENTS.

DOCKET NO. W-03211A-08-0621

13 IN THE MATTER OF THE APPLICATION OF
14 F. WAYNE & DOROTHY THOMPSON DBA
15 WEST VILLAGE WATER COMPANY FOR A
16 RATE INCREASE.

DOCKET NO. W-03211A-08-0622

17 DECISION NO. _____

18 ORDER

19 Open Meeting
20 June 29 and 30, 2010
21 Phoenix, Arizona

22 **BY THE COMMISSION:**

23 Summary

24 This consolidated proceeding involves F. Wayne & Dorothy Thompson dba West Village
25 Water Company's ("West Village" or "Company") applications requesting a permanent rate increase
26 and for financing. In its rate application, West Village seeks an increase in rates in the amount
27 \$99,273, or 310 percent over test year revenues of \$31,935. The Company's financing application
28 seeks approval to finance \$525,000, to cover the cost of capital projects needed to improve the
Company's water system.

* * * * *

Having considered the entire record herein and being fully advised in the premises, the
Commission finds, concludes, and orders that:

...

...

FINDINGS OF FACT**Procedural History**

1. On December 31, 2008, West Village filed an application with the Arizona Corporation Commission ("Commission") requesting authority to incur debt in the amount of \$525,000 to finance capital improvements related to its well, pumping equipment, and distribution system.

2. On the same date, West Village filed an application in a separate docket, seeking a permanent rate increase in the amount of \$99,273 or 310 percent over 2007 test year revenues. The application included an affidavit showing notice of the proposed rate increase had been mailed to each of West Village's customers by First Class Mail.

3. On January 6, 2009, West Village filed a Motion to consolidate the rate docket and the finance docket ("Motion").

4. On March 16, 2009, by Procedural Order, the Commission's Utilities Division ("Staff") was directed to file a response to West Village's Motion.

5. On March 26, 2009, Staff filed a response to West Village's Motion, stating that Staff had no objections to the consolidation of the dockets as the matters are substantially related.

6. On April 1, 2009, Staff filed a Letter of Sufficiency indicating that West Village's rate application had met the sufficiency requirements as outlined in the Arizona Administrative Code ("A.A.C.").

7. On April 20, 2009, by Procedural Order, the rate and finance dockets were consolidated.

8. On April 21, 2009, West Village filed an affidavit stating that notice of the finance application had been provided to each of its customers via First Class Mail.

9. On May 27, 2009, West Village filed a Motion to extend the time deadline for filing the Staff Report until July 31, 2009. The motion stated that additional time was needed for the Arizona Department of Environmental Quality ("ADEQ") to evaluate and report on West Village's water system.

1 10. On May 29, 2009, Staff filed a response to West Village's motion to extend the time
2 for filing the Staff Report, stating Staff did not oppose the request.

3 11. On May 29, 2009, by Procedural Order, the deadline for filing the Staff Report was
4 extended to July 31, 2009, and the timeclock in this matter was suspended.

5 12. On July 14, 2009, West Village filed a second motion for an extension of time to file
6 the Staff Report. The motion requested the deadline for filing be extended to September 30, 2009,
7 because ADEQ needed additional time to finalize its evaluation of West Village's system.

8 13. On July 15, 2009, Staff filed a response to West Village's second motion for an
9 extension of time to file the Staff Report, stating that Staff believed the extension of time was
10 reasonable under the circumstances.

11 14. On July 17, 2009, by Procedural Order, West Village's second motion for an extension
12 of time was granted; a new deadline for filing the Staff Report was established; and the timeclock for
13 this matter remained suspended.

14 15. On August 13, 2009, the Company docketed an ADEQ Water System Evaluation
15 ("WSE").

16 16. On September 3, 2009, Staff filed a response to the WSE, stating that the WSE did not
17 identify and/or support the Company's financing application and appeared to be incomplete with
18 regard to the Company's proposed system improvements. Further, Staff stated that it had contacted
19 counsel for the Company on August 18, 2009, regarding a cost breakdown for each improvement
20 requested in the financing application, but that Staff had not received the Company's responses as of
21 the date of Staff's filing. Staff further requested that the deadline to file the Staff Report be extended
22 until sixty (60) days after the Company provides Staff with the requested additional information
23 needed to evaluate the financing application.

24 17. On September 13, 2009, by Procedural Order, Staff's request to extend the time for
25 filing the Staff Report was granted; West Village was ordered to respond to Staff's request for
26 additional information within 10 days of the Procedural Order; and the timeclock remained
27 suspended.
28

1 18. On September 25, 2009, West Village filed a response to Staff's request for additional
2 information, which included a cost breakdown of the capital improvements requested in West
3 Village's finance application.

4 19. On November 25, 2009, Staff filed a Staff Report on the consolidated applications,
5 classifying West Village as a class D utility and recommending approval of the financing and rate
6 applications subject to Staff's conditions.

7 20. On December 3, 2009, West Village filed a request for an extension of time to file a
8 response to the Staff Report.

9 21. On December 4, 2009, by Procedural Order, West Village's request for an extension
10 of time to file a response to the Staff Report was granted.

11 22. On December 14, 2009, West Village filed a response to the Staff Report objecting to
12 Staff's disallowance of the Company's purchased water expense of \$18,765 incurred during the test
13 year and to Staff's recommended compliance deadlines.

14 23. On December 15, 2009, Staff filed a Notice of Errata correcting some of the numbers
15 contained in Staff's proposed rates.

16 24. On January 6, 2010, by Procedural Order, a procedural conference was set to
17 commence on January 21, 2010, to discuss West Village's objections to the Staff Report and to
18 determine if a hearing was necessary in this matter.

19 25. On January 21, 2010, a procedural conference was held as scheduled before a duly
20 authorized Administrative Law Judge ("ALJ") of the Commission at its offices in Phoenix, Arizona.
21 Staff and West Village appeared through counsel. During the proceeding, errors were identified in
22 the Staff Report and Staff was directed to file a supplement to the Staff Report correcting the
23 identified errors and addressing the issues raised in West Village's objections. Staff was granted two
24 weeks to file the supplemental document. The parties also requested that this matter continue without
25 a hearing.

26 26. On February 2, 2010, Staff filed a motion requesting an extension of time, until
27 February 25, 2010, to file the Supplemental Staff Report. Staff's motion also stated that West Village
28 had no objection to Staff's request to extend the time deadline.

1 27. On February 8, 2010, Staff's request for an extension of time to file the Supplemental
2 Staff Report was granted.

3 28. On February 25, 2010, Staff filed an Amended Staff Report in this matter, continuing
4 to recommend approval of the rate and finance applications and amending its recommendations
5 regarding compliance deadlines.

6 29. On March 11, 2010, West Village filed a motion for an extension of time to file
7 comments in response to the Amended Staff Report.

8 30. On March 12, 2010, West Village filed a response to the Amended Staff Report,
9 continuing to object to Staff's disallowance of the Company's purchased water expense incurred
10 during the test year.

11 31. On May 6, 2010, Staff filed a Notice of Errata, which contained an amended page 9 to
12 the Amended Staff Report.

13 32. On May 10, 2010, Staff filed a Notice of Errata, which contained a revised amended
14 Schedule DWC-4.

15 **Background**

16 33. Pursuant to authority granted by the Commission, West Village is an Arizona public
17 service corporation engaged in the business of providing water service to approximately 53 metered
18 customers in Coconino County, Arizona.

19 34. West Village's service area is located approximately two miles southwest of
20 downtown Flagstaff along U.S. Highway 66 and encompasses 1/16 of a square mile.

21 35. Staff has classified West Village as a class D Utility.

22 36. The Utilities Division's Consumer Services Section reported that there were no
23 complaints reported for West Village from January 1, 2006 through December 31, 2008 and five
24 complaints filed between January 1, 2009 and October 15, 2009. Two of the five complaints were
25 related to billing, two for service quality, and one disconnection/termination. All complaints have
26 been resolved and closed.

27 37. Consumer Services also reported that seven opinions have been filed in opposition to
28 the proposed rate increase.

38. The Commission's Compliance Section found no outstanding compliance issues for West Village.

39. Staff reported that West Village is current on its property and sales tax payments.

40. ADEQ has determined that the West Village water system has no deficiencies and is currently delivering water that meets water quality standards as set forth in the A.A.C.¹

41. West Village is not located within an Active Management Area and is not subject to conservation and monitoring reporting. However, the Arizona Department of Water Resources ("ADWR") has determined that the Company is in compliance with ADWR requirements governing water providers and/or community water systems.

Rate Application

42. West Village's rate application seeks a permanent rate increase in the amount of \$99,273 or 310 percent over 2007 test year revenues of \$31,935.

43. The Commission approved West Village's current rates in Decision No. 60182 (May 16, 1997).

44. West Village's current rates and charges, as proposed in its application, and as recommended by Staff are as follows:

<u>MONTHLY USAGE CHARGES:</u>	<u>Present Rates</u>	<u>Company Proposed Rates</u>	<u>Staff Proposed Rates</u>
5/8" x 3/4" Meter	\$ 26.00	\$ 155.00	\$ 26.00
3/4" Meter	39.00	232.50	39.00
1" Meter	65.00	387.50	65.00
1-1/2" Meter	130.00	775.00	130.00
2" Meter	208.00	1,240.00	208.00
3" Meter	390.00	2,480.00	416.00
4" Meter	650.00	3,875.00	650.00
6" Meter	1,300.00	7,750.00	1,300.00
Financial Surcharge for all meter sizes:	N/A	N/A	\$ 80.31
Excess of Minimum (Per 1,000 Gallons)	\$ 5.05	0.00	0.00
Gallons included in minimum:	0	0	0
<u>5/8" x 3/4" Meter</u> 0 - 3,000 gallons	N/A	5.05	N/A

¹ ADEQ Compliance Status Report dated February 11, 2010.

1	3,001 – 10,000 gallons	N/A	6.50	N/A
	Over 10,000 gallons	N/A	8.50	N/A
2	<u>5/8" x 3/4" Meter</u>			
3	0 – 3,000 gallons	N/A	N/A	5.50
	3,001 – 7,000 gallons	N/A	N/A	8.60
4	Over 7,000 gallons	N/A	N/A	9.95
5	<u>3/4" Meter</u>			
	0 – 3,000 gallons	N/A	5.05	N/A
6	3,001 to 10,000 gallons	N/A	6.50	N/A
	Over 10,000 gallons	N/A	8.50	N/A
7	<u>3/4" Meter</u>			
8	0 – 3,000 gallons	N/A	N/A	5.50
	3,001 – 7,000 gallons	N/A	N/A	8.60
9	Over 7,000 gallons	N/A	N/A	9.95
10	<u>1" Meter</u>			
	0 – 3,000 gallons	N/A	5.05	N/A
11	3,001 – 10,000 gallons	N/A	6.50	N/A
	Over 10,000 gallons	N/A	8.50	N/A
12	0 – 20,000 gallons	N/A	N/A	8.60
13	Over 20,000 gallons	N/A	N/A	9.95
14	<u>1-1/2" Meter</u>			
	0– 3,000 gallons	N/A	5.05	N/A
15	3,001 – 10,000 gallons	N/A	6.50	N/A
	Over 10,000 gallons	N/A	8.50	N/A
16	0 – 20,000 gallons	N/A	N/A	8.60
17	Over 20,000 gallons	N/A	N/A	9.95
18	<u>2" Meter</u>			
	0 – 3,000 gallons	N/A	5.05	N/A
19	3,001 – 10,000 gallons	N/A	6.50	N/A
	Over 10,000 gallons	N/A	8.50	N/A
20	0 – 40,000 gallons	N/A	N/A	8.60
21	Over 40,000 gallons	N/A	N/A	9.95
22	<u>3" Meter</u>			
	1 – 3,000 gallons	N/A	5.05	N/A
23	3,001 – 10,000 gallons	N/A	6.50	N/A
	Over 10,000 gallons	N/A	8.50	N/A
24	0 – 144,000 gallons	N/A	N/A	8.60
25	Over 144,000 gallons	N/A	N/A	9.95
26	<u>4" Meter</u>			
	1 – 3,000 gallons	N/A	5.05	N/A
27	3,001 – 10,000 gallons	N/A	6.50	N/A
	Over 10,000 gallons	N/A	8.50	N/A
28	0 – 225,000 gallons	N/A	N/A	8.60

Over 225,000 gallons	N/A	N/A	9.95
<u>6" Meter</u>			
1 – 3,000 gallons	N/A	5.05	N/A
3,001 – 10,000 gallons	N/A	6.50	N/A
Over 10,000 gallons	N/A	8.50	N/A
0 – 450,000 gallons	N/A	N/A	8.60
Over 450,000 gallons	N/A	N/A	9.95
Standpipe (Per 1,000 Gallons)	5.05	6.50	9.95

SERVICE LINE AND METER INSTALLATION CHARGES:
(Refundable Pursuant to A.A.C. R14-2-405)

	<u>Company Proposed Charges</u>				<u>Staff Proposed Charges</u>		
	<u>Current Charges</u>	<u>Service Line</u>	<u>Meter</u>	<u>Total</u>	<u>Service Line</u>	<u>Meter</u>	<u>Total</u>
5/8" x 3/4" Meter	\$ 330.00	\$ 430.00	\$ 130.00	\$ 560.00	\$ 430.00	\$ 130.00	\$ 560.00
3/4" Meter	375.00	430.00	230.00	660.00	430.00	230.00	660.00
1" Meter	440.00	480.00	290.00	770.00	480.00	290.00	770.00
1-1/2" Meter	660.00	535.00	500.00	1,035.00	535.00	500.00	1,035.00
2" Meter Turbine	1,155.00	815.00	1,020.00	1,835.00	815.00	1,020.00	1,835.00
2" Meter Compound	N/A	815.00	1,865.00	2,680.00	815.00	1,865.00	2,680.00
3" Meter Turbine	1,625.00	1,030.00	1,645.00	2,675.00	1,030.00	1,645.00	2,675.00
3" Meter Compound	N/A	1,150.00	2,520.00	3,670.00	1,150.00	2,520.00	3,670.00
4" Meter Turbine	2,540.00	1,460.00	2,620.00	4,080.00	1,460.00	2,620.00	4,080.00
4" Meter Compound	N/A	1,640.00	3,595.00	5,235.00	1,640.00	3,595.00	5,235.00
6" Meter Turbine	4,875.00	2,180.00	4,975.00	7,155.00	2,180.00	4,975.00	7,155.00
6" Meter Compound	N/A	2,300.00	6,870.00	9,170.00	2,300.00	6,870.00	9,170.00

<u>SERVICE CHARGES:</u>	<u>Present Charges</u>	<u>Company Proposed</u>	<u>Staff Proposed</u>
Establishment	\$ 20.00	\$ 35.00	\$ 35.00
Establishment (After Hours)	40.00	45.00	45.00
Reconnection (Delinquent)	40.00	45.00	45.00
Reconnection (Delinquent)	N/A	50.00	50.00
Meter Test (If Correct)	40.00	45.00	45.00
Deposit	*	*	*
Deposit Interest	*	*	*
Re-establishment (Within 12 Months)	**	**	**
NSF Check	15.00	25.00	25.00
Deferred Payment	1.5%	1.5%	1.5%
Meter Re-read (If Correct)	12.50	20.00	20.00
Late Payment Charge (Per Month)	1.5%	1.5%	***
Charge for Moving Meter	N/A	COST	****

* Per Commission Rule A.A.C. R14-2-403(B).

** Per Commission Rule A.A.C. R14-2-403(D).

*** 1.5 percent on the unpaid balance per month.

**** Main Extension are addressed separately in the Arizona Administrative Code are not part of this tariff and should be removed from this tariff

45. Staff also recommends that:

- West Village collect from its customers a proportionate share of any privilege, sales or use tax per Commission Rule R14-2-409.D.5.
- West Village file, within 30 days of the effective date of this Decision, a schedule of its approved rates and charges.
- West Village on a going forward basis use the National Association of Regulatory Utility Commissioners ("NARUC") depreciation rates.

46. West Village's proposed fair value rate base ("FVRB") is \$28,968 and is the same as its original cost less depreciation ("OCLD").² The Company waived its rights to Reconstruction Cost New Rate Base.³

47. Staff recommends an upward adjustment to West Village's proposed rate base of \$28,968, to \$32,642. Staff's adjustments to West Village's rate base reflect a decrease in plant-in-service by \$6,614 from \$106,186 to \$99,572, for removal of an old pump that was retired in 2007; a decrease in accumulated appreciation by \$6,884 from \$77,218 to \$70,334, removing the cost of the old pump retired in 2007; and the addition of a cash working capital allowance of \$3,404.⁴ Staff's adjustments increase West Village's rate base by \$3,674 for a total rate base of \$32,642.⁵

48. Staff made no adjustments to West Village's proposed test year revenues of \$31,935.⁶

49. West Village's proposed test year revenues of \$31,935 are reasonable and will be adopted.

50. Staff made adjustments of \$20,603 to West Village's test year operating expenses decreasing expenses from \$52,320 to \$31,717. Staff's recommends a downward adjustment of \$18,765 in purchased water expenses from \$18,765 to \$0; an increase of \$162 in water testing expenses from \$982 to \$1,144; and a \$2,000 decrease in regulatory rate case expenses from \$5,000 to \$3,000.⁷

51. West Village asserts that the purchased water expense should be included in test year operating expenses because the Company has had to purchase water over the last five years due to

² Rate Application at 6.

³ Rate Application at 6.

⁴ According to Staff, West Village did not claim a cash working capital allowance. Staff states that typically with class D and E utilities Staff recommends the utility have a positive cash working capital allowance. Staff recommends a working capital allowance of \$3,404 for West Village. (ASR at 6)

⁵ Amended Schedule DWC-2.

⁶ Amended Schedule DWC-3.

⁷ Id.

1 service outages.⁸ West Village points to data from the years 2004 through 2008, showing the
 2 Company incurred an average of \$6,485 in purchased water expenses.⁹ West Village proposes
 3 including the 5-year average of \$6,485 for purchased water expenses in the test year operating
 4 expenses.¹⁰

5 52. According to Staff, West Village had purchased water expenses of \$18,765 during the
 6 test year related to a pump failure.¹¹ Staff does not believe the purchased water expense incurred
 7 during the test year should be included in West Village's test year operating expenses because it was
 8 the result of a non-recurring event.¹² Further, Staff states that due to the uncertainty whether the
 9 expense will occur in future years, it is unfair to burden ratepayers with the purchased water expense,
 10 since the Company has requested a large rate increase to upgrade its water system and the Company
 11 experienced purchased water expenses in only two of the five years it is requesting to be averaged.¹³
 12 Based on the above factors, Staff believes it is inappropriate to include the average costs of the
 13 purchased water expenses from 2004 through 2008 in test year expenses.¹⁴

14 53. West Village also proposes including a 5-year average of repair and maintenance
 15 ("R&M") expenses in the amount of \$9,586 in test year operating expenses.¹⁵ West Village argues
 16 that the amount of the R&M expense widely fluctuated during the years 2004 through 2008 due to the
 17 Company's ability to pay for necessary repairs only in years when cash was available.¹⁶

18 54. Staff disagrees with the Company's proposal to include a 5-year average of R&M
 19 expenses in test year operating expenses.¹⁷ Staff proposes including \$3,817 in test year operating
 20 expenses, the amount of R&M expenses claimed by the Company during the test year.¹⁸ Staff

21 ⁸ Applicant's Response at 1.

22 ⁹ In its response to the Staff Report, West Village states that it had purchased water expenses of \$13,660 in 2005; \$18,765
 23 in 2007; and no purchased water expenses in 2004, 2006, and 2008. West Village states that the 5 year total is \$32,425
 and the 5-year average is \$6,485. (Schedule SSR-3)

¹⁰ Id.

24 ¹¹ Amended Staff Report at 6.

¹² Id. at 7.

25 ¹³ Id.

¹⁴ Id.

26 ¹⁵ The Company states that during the 2004 through 2008 time period it had R&M expenses of \$6,880 in 2004; \$26,323 in
 27 2005; \$890 in 2006; \$2,317 in 2007; and \$11,522 in 2008. The Company states that the 5-year average R&M cost are
 \$9,586. (Schedule SSR-3)

¹⁶ Applicant's Response at 2.

¹⁷ Amended Staff Report at 7.

28 ¹⁸ Schedule CRM-3.

opposes the Company's proposal to average the R&M expenses because it does not reflect a reasonable and appropriate level of expense because three of the five years the expense level was below the actual test year expense; Staff is not confident that the numbers in the Company's schedules are accurate based on the wide fluctuations in the amount of the expense; and on a going forward basis Staff believes the amount of the expense will be reduced once the Company implements the upgrades to its water system, as described in the Company's finance application.¹⁹

55. West Village asserts that taking into consideration Staff's recommended revenues²⁰ which will increase the typical 5/8 inch meter customer's bill by \$1.14, the increase in revenues of \$725²¹ annually is insufficient to cover R&M costs especially if the Company incurs any type of outage.²² West Village states that the fact that its water system consists of one well and has no redundancy increases the likelihood that R&M expenses will occur.²³ The Company states that Staff's disallowance of 59 percent of test year expenses related to purchased water and R & M expenses is unfair and that the expenses are the result of on-going problems with the Company's pumps and well.²⁴

56. West Village proposes a \$99,273 or 310 percent increase in operating revenue over test year revenue of \$31,935, for a total of \$131,208. West Village reports it had an operating income of negative \$20,385 during the test year and proposes increasing operating income to \$78,888 or a 272.33 percent rate of return on the Company's proposed FVRB of \$28,968. West Village's proposed operating income would result in an operating margin of 60.12 percent.

57. Staff recommends total operating revenues of \$37,315, an increase of \$5,380 over Staff's adjusted test year revenues of \$31,935, for a total operating income of \$5,598 or 17.15 percent rate of return on Staff's proposed FVRB of \$32,645.²⁵

58. Staff's proposed rates, without its recommended Water Infrastructure Finance

¹⁹ Amended Staff Report at 7.

²⁰ A full discussion of test year revenues is addressed below.

²¹ West Village arrived at the \$725 increase in revenues by calculating \$1.14 (increase in typical residential customer bill) x 53 customers = \$60.42 monthly x 12 months = \$725.

²² Applicant Response at 2.

²³ Id.

²⁴ Id.

²⁵ Amended Schedule DWC-1A.

Authority ("WIFA") loan surcharge, would increase the typical 5/8 inch meter residential bill with a median usage of 2,534 gallons from \$38.80 to \$39.94, for an increase of \$1.14 or 2.9 percent.²⁶

59. Staff determined that its adjusted FVRB of \$32,642 is too low to produce an appropriate level of revenue. Staff recommends using an operating margin of 15 percent to achieve an appropriate revenue level for the Company.²⁷

60. Staff recommends restructuring West Village's rate design from a uniform rate design to an inverted 3-tier commodity rate structure.²⁸ Staff recommends an inverted tier rate design for all customer classes and meter sizes.²⁹ Staff recommends a 3-tier inverted design for 5/8 x 3/4 inch and 3/4 inch meter sizes and a 2-tier inverted rate design for larger sized meters.³⁰ Staff believes that its recommended inverted tier rate design will encourage water conservation.³¹

61. Staff is recommending West Village implement a construction/bulk water tariff of \$9.95 per 1,000 gallons.³²

62. Staff recommends approval of its proposed Service Line and Meter Installation Charges.

63. West Village proposes increasing its Establishment charge to \$35; Establishment (after hours) charge to \$45; Reconnection (delinquent) charge to \$45; Reconnection (delinquent) after hours to \$50; Meter Test charge to \$45; Not Sufficient Funds charge to \$25; and Meter Re-Read charge to \$20. Staff concurs with the Company's proposed increase in charges as stated above and recommends that no changes be made to the Company's Deposit Service charge, Interest on Deposits charge, and Deferred Payment charge.³³

64. Staff further recommends that West Village include in its rates a Late Fee charge of 1.50 percent on any unpaid balance per month.

...

²⁶ Amended Schedule DWC-5A.

²⁷ Id.

²⁸ Amended Staff Report at 8.

²⁹ Id.

³⁰ Id.

³¹ Id.

³² Id. at 9.

³³ Id.

1 **Finance Application**

2 65. In the financing application, West Village seeks approval to obtain a 20-year
3 amortizing loan in the amount of \$525,000 through WIFA. The finance application states that the
4 funds from the WIFA loan will be used to make capital improvements to West Village's water system
5 by constructing a new deep well and replacing deteriorating service line taps and meters.

6 66. Staff conducted a field inspection on April 10, 2009, of West Village's water system.
7 According to Staff, the water system consists of one well pumping an estimated 16 gallons per minute
8 ("GPM"), a 98,000 gallon storage tank, booster system, and a distribution system. Staff noted that the
9 water system is 50 years old, well production is depleting, and the distribution system is undersized
10 because it is served by 4-inch or smaller sized water mains. Although West Village is authorized to
11 provide standpipe service, it is currently not providing that service.

12 67. West Village proposes constructing a new well at a cost of \$351,944.³⁴ The Company
13 also proposes replacing the water system's deteriorating service line taps and meters on the
14 distribution system. Staff believes that the Company will need to locate and map the distribution
15 system and install gate valves on the system to isolate portions of the system while construction is
16 being conducted. The estimated cost for the mapping project will be \$173,056.³⁵

17 68. According to Staff, ADEQ and WIFA have partnered together to provide regulated
18 utilities with technical assistance by providing WSEs.³⁶ Staff reports that the WSEs are used to help
19 ADEQ and WIFA prioritize capital improvements projects and the funding needs for regulated
20 utilities.³⁷ West Village provided a WSE dated July 30, 2009, in support of its financing application.
21 West Village's WSE identified, among other things, that West Village's service line taps and meters
22 need immediate attention.³⁸

23 ³⁴ The Company provided Staff with an estimate of \$319,944 (dated February 2007) for construction of a new well. In
24 preparation of the Staff Report, Staff contacted the construction company to update the estimated cost of construction of
25 the new well and was given the \$351,944 amount. The cost would cover drilling a new well at 2,000 feet and installation
26 of a 75 HP submersible pump.

27 ³⁵ The Company estimates that the service line tap replacement project will include: locating and mapping the existing
28 system; installing gate valves; replacing service taps and meters; and engineering-design, construction inspection, and
county permitting.

³⁶ Staff's Engineering Report at Attachment B.

³⁷ Id.

³⁸ West Village's WSE identified as problematic meters placed four boxes deep, meters located in low elevations, meters
below ground level, and meters on property lines, meters being underwater, and meters with scratched lenses.

69. Staff concluded that West Village's capital improvement projects are appropriate and the cost estimate of \$525,000 is reasonable. However, Staff did not make a "used and useful" determination of the proposed projects and stated that no particular treatment should be inferred for rate making or rate base purposes in the future.

70. According to Staff's Engineering Report, West Village has an average annual water consumption of 128 gallons per day ("GPD"), per connection.³⁹ West Village reported 3,316,900 gallons of water pumped and 2,484,128 gallons of water sold during the test year, resulting in a non-account water loss of 25.1 percent.⁴⁰ Staff reported that in March 2007, West Village replaced the well pump and had to haul water.⁴¹ Staff expressed concerns that during four months of the test year West Village reported less gallons pumped than were sold.⁴²

71. Based on West Village's 25.1 percent non-account water loss, and the discrepancy in the gallons pumped and sold, Staff recommends that West Village monitor its water system for a 12 month period and docket as a compliance item a water loss report or a cost benefit analysis discussing why it cannot reduce its water loss below Staff's recommended minimum amount of 15 percent.⁴³ Staff believes that West Village's proposed capital improvements will correct or eliminate its water loss issue.⁴⁴

72. Staff determined that at the conclusion of the test year, West Village had a capital structure of 0 percent short-term debt, 0 percent long term debt, and 100 percent equity.⁴⁵ According to Staff, the proposed financing will give West Village a pro-forma capital structure of 2.9 percent short-term debt, 102.2 percent long-term debt, and negative 5.2 percent equity.⁴⁶

73. Staff has concluded that West Village's test year operating cash flow is insufficient to meet its proposed long-term debt obligation.⁴⁷ West Village proposed including the cost of the WIFA

³⁹ Staff's Engineering Report at Attachment A.

⁴⁰ Id.

⁴¹ Staff's Engineering Report Attachment A.

⁴² Id.

⁴³ Id.

⁴⁴ Id.

⁴⁵ Amended Staff Report at 11.

⁴⁶ Id.

⁴⁷ Id.

1 loan debt in its rates.⁴⁸ Staff recommends the use of a surcharge mechanism to calculate the debt
 2 service payments for the WIFA loan.⁴⁹ Using the surcharge mechanism, Staff estimates that the debt
 3 service payments on a 20-year amortizing loan, at 6.0 percent interest, will be \$3,814 per month, or
 4 \$45,772 annually.⁵⁰ Staff estimates that the total monthly surcharge for residential customers will be
 5 \$80.31 per customer, per month.⁵¹

6 74. West Villages proposed rates that would result in operating revenues of \$131,208, an
 7 operating income of \$78,888 or a 272.33 percent rate of return on the Company's proposed FVRB of
 8 \$28,968, which is the same as its original cost rate base ("OCRB").⁵²

9 75. West Village's proposed rates would increase the typical 5/8 inch meter residential bill
 10 with a median usage of 2,534 gallons from \$38.80 to \$167.80, an increase of \$129.00 or 332.5
 11 percent.⁵³

12 76. Including Staff's recommended surcharge for the financing, Staff's recommended
 13 increase in revenue is \$56,457 or a 176.79 percent increase over test year revenue of \$31,935.⁵⁴
 14 Staff's recommended revenue of \$88,392 results in operating income of \$56,675 or a 173.63 percent
 15 rate of return on Staff's recommend FVRB of \$32,642, with an operating margin of 64.12 percent.⁵⁵

16 77. Including the surcharge, Staff's recommended rates would increase the typical 5/8
 17 inch meter residential bill with a median usage of 2,534 gallons from \$38.80 to \$120.25, for an
 18 increase of \$81.45 or 209.9 percent.

19 78. Staff recommends approval of West Village's finance application using the WIFA
 20 loan surcharge mechanism.

21 79. Staff further recommends and that:

- 22 a. West Village contact the City of Flagstaff ("City") to explore all available
 23 alternatives to the capital improvements proposed in the financing application,
 24 including the possibility of the Company becoming a master-meter customer of

25 ⁴⁸ Applicant's rate application at 9.

26 ⁴⁹ Amended Staff Report at 11.

27 ⁵⁰ Id.

28 ⁵¹ Id.

⁵² Id. at 3.

⁵³ Amended Schedule DWC- 5A and 5B.

⁵⁴ Amended Staff Report at 3.

⁵⁵ Id.

1 the City. Additionally, Staff recommends that, within 30 days of any
2 discussions with the City, the Company be required to file documents in this
3 docket: (1) affirming that the Company has explored with the City all available
4 alternatives, including becoming a master meter customer of the City; (2)
5 listing the alternatives investigated; (3) describing and explaining all actions
6 taken by the Company in investigating each alternative, including the names of
persons contacted at the City; and (4) describing and explaining the
Company's rationale in choosing or not choosing a particular alternative. Staff
further recommends that the Company comply with this filing requirement
before securing or closing on the WIFA loan.

- 7 b. The Commission authorize West Village to obtain a 20-year amortizing loan in
8 an amount not to exceed \$351,944 and at an interest rate not to exceed the
9 current WIFA subsidized rate at the time the loan is executed (presently
10 estimated at 6.0 percent) to finance capital improvement of a new deep well.
- 11 c. The Commission authorize West Village to obtain a 20-year amortizing loan in
12 an amount not to exceed \$173,056 and at an interest rate not to exceed the
13 current WIFA subsidized rate at the time the loan is executed (presently
14 estimated at 6.0 percent) to finance locating and mapping the distribution
15 system and install gate valves on the system to isolate portions of the
16 distribution system.
- 17 d. The Commission authorize West Village to engage in any transactions and to
18 execute any documents necessary to effectuate the authorizations granted.
- 19 e. West Village file copies of the fully-executed loan documents, as a compliance
20 item in this docket, within 60 days of the execution of any transactions.
- 21 f. Any authorization to incur debt granted in this proceeding terminate 18 months
22 from the date a Decision is issued in this matter, unless the financing is
23 obtained within those 18 months.
- 24 g. The Commission approve a financing surcharge mechanism to enable the
25 Company to meet its principal and interest obligation on the proposed WIFA
26 loan.
- 27 h. West Village file with the Commission a WIFA loan surcharge tariff
28 application within 60 days of the loan closing. The Company shall be required
to follow the same methodology presented in the Staff Report to calculate the
additional revenue needed to meet its loan obligations, using the actual loan
terms and the actual number of customers at the time of loan closing, and using
the result of that calculation to develop its surcharge tariff application. The
increase in revenue calculation should be included in the surcharge tariff
application.
- i. Any surcharge be implemented only after Commission approval of the loan
surcharge tariff.

- j. Approval of the WIFA loan and surcharge be rescinded if West Village has not drawn funds from the loan within 18 months of the date of the Decision resulting from this proceeding.
- k. West Village file a new rate case within five years of a Decision in this matter and that the financing surcharge cease automatically, if West Village fails to file a rate case within five years.
- l. West Village maintain its records in accordance with the NARUC Uniform Systems of Accounts and file with Docket Control, a document stating it is in compliance within 6 months of a Decision in this matter.
- m. West Village monitor its 25.1 percent water loss in its system for a 12-month period to prepare a water loss reduction report. If the reported water loss is greater than 10 percent, West Village shall submit the water loss reduction report containing a detailed analysis and plan to reduce the water loss to 10 percent or less. If West Village believes it is not cost effective to reduce the water loss to less than 10 percent, it should submit a detailed cost benefit analysis to support its opinion. In no case shall West Village allow water loss to be greater than 15 percent. The water loss reduction report or the detailed analysis, whichever is submitted, shall be filed as a compliance item in this docket, within 13 months of the effective date of a Decision in this matter.
- n. West Village file with Docket Control, as a compliance item in this docket, within one year of closing the WIFA loan on the well project, a copy of the ADEQ Certificate for Approval to Construct for the new deep well project.
- o. West Village file as a compliance item in this docket, within 45 days of the effective date this Decision, a curtailment tariff for review and certification by Staff in the form found on the Commission's website.
- p. West Village adopt and use Staff's recommended depreciation rates as described in Table B of the Engineering Report.

Analysis

80. In its response to the Amended Staff Report, West Village states that it generally agrees with Staff's recommendations regarding the financing application and the compliance deadlines set forth in the Amended Staff Report.⁵⁶ However, West Village continues to disagree with Staff's disallowance of the Company's purchased water expense of \$18,765 incurred during the test year.⁵⁷

81. West Village has not had a rate increase since 1997 and had an operating income, as

⁵⁶ Applicant's Response to Amended Staff Report at 1.

⁵⁷ Id.

1 adjusted by Staff, of \$218 for the test year. The combination of length of time between West
 2 Village's last rate increase and the myriad of issues related to repairing and maintaining a 50-year old
 3 water system create the perfect storm. West Village has been undercharging for its services. In
 4 addition, the aging and deteriorating condition of the water system makes it susceptible to costly
 5 repairs during outages and to costly routine maintenance. Under West Village's proposed rates, the
 6 typical median 5/8 x 3/4 inch residential bill would increase by \$129.00 or to \$167.80 per month.⁵⁸
 7 Staff has stated that inclusion of the purchased water expense in test year expenses would further
 8 increase the revenue requirement.⁵⁹ Although West Village proposes to include the average cost of
 9 the purchase water expenses incurred between 2004 and 2008, Staff notes that the Company incurred
 10 the expense in only two out of the five years. Further, Staff has proposed including a \$3,404 working
 11 cash allowance and \$6,817 for R & M in test year expenses. Staff's recommended proposals should
 12 give the Company sufficient income to cover any purchased water expenses and R&M expenses on a
 13 going forward basis and allow the Company to provide quality service to its customers. Therefore,
 14 we find Staff's recommended adjustments to rate base, operating revenues, operating expenses, return
 15 on rate base, and rate design reasonable and we will adopt Staff's recommendations. We find that
 16 Staff's recommendation to implement a WIFA loan surcharge mechanism is a best option for
 17 insurance that term of the debt is proportionate with the life of the proposed capital improvements
 18 and that the Company does not over earn on the proposed investment.

19 82. Because an allowance for the property tax expense is included in West Village's rates
 20 and will be collected from its customers, the Commission seeks assurances from West Village that
 21 any taxes collected from ratepayers have been remitted to the appropriate taxing authority. It has
 22 come to the Commission's attention that a number of water companies have been unwilling or unable
 23 to fulfill their obligation to pay the taxes that were collected from ratepayers, some for as many as
 24 twenty years. It is reasonable, therefore, that as a preventive measure West Village shall annually
 25 file, as part of its annual report, an affidavit with the Utilities Division attesting that the company is
 26

27 ⁵⁸ Applicant's application at 19.

28 ⁵⁹ The Amended Staff Report notes that West Village did not request inclusion of the average purchased water expense in its application, but later proposed the inclusion in its response to the Amended Staff Report. (ASR at 7)

current in paying its property taxes in Arizona.

CONCLUSIONS OF LAW

1. West Village is a public service corporation within the meaning of Article XV of the Arizona Constitution and A.R.S. §§ 40-250, 40-251, 40-301, and 40-303.

2. The Commission has jurisdiction over West Village and of the subject matter of the rate and finance applications.

3. Notice of the rate and finance applications were given in accordance with the law.

4. The rates and charges authorized herein are just and reasonable and should be approved without a hearing.

5. The financing approved herein is for lawful purposes, within West Village's powers, is compatible with the public interest, with sound financial practices, and with the proper performance by West Village of service as a public service corporation, will not impair West Village's ability to perform that service.

6. The financing approved herein is for the purposes stated in the financing application and is reasonably necessary for those purposes, and such purposes are not, wholly or in part, reasonably chargeable to operating expenses or to income.

ORDER

IT IS THEREFORE ORDERED that F. Wayne & Dorothy Thompson dba West Village Water Company, shall file by July 1, 2010, revised rate schedules setting forth the following rates and charges:

MONTHLY USAGE CHARGES:

5/8" x 3/4" Meter	\$ 26.00
3/4" Meter	39.00
1" Meter	65.00
1-1/2" Meter	130.00
2" Meter	208.00
3" Meter	416.00
4" Meter	650.00
6" Meter	1,300.00

Gallage charge (per 1,000 gallons):

1	<u>5/8" x 3/4" Meter</u>	
	0 - 3,000 gallons	\$5.50
2	3,001 - 7,000 gallons	8.60
3	Over 7,000 gallons	9.95
4	<u>3/4" Meter</u>	
	0 - 3,000 gallons	5.50
5	3,001 - 7,000 gallons	8.60
	Over 7,000 gallons	9.95
6	<u>1" Meter</u>	
	0 - 10,000 gallons	8.60
7	Over 10,000 gallons	9.95
8	<u>1-1/2" Meter</u>	
	0 - 20,000 gallons	8.60
9	Over 20,000 gallons	9.95
10	<u>2" Meter</u>	
	0 - 40,000 gallons	8.60
11	Over 40,000 gallons	9.95
12	<u>3" Meter</u>	
	0 - 144,000 gallons	8.60
13	Over 144,000 gallons	9.95
14	<u>4" Meter</u>	
	0 - 225,000 gallons	8.60
15	Over 225,000 gallons	9.95
16	<u>6" Meter</u>	
	0 - 450,000 gallons	8.60
17	Over 450,000 gallons	9.95
18	Standpipe (Rate)	9.95

19

20 SERVICE LINE AND METER INSTALLATION CHARGES:
 (Refundable Pursuant to A.A.C. R14-2-405)

	<u>Service Line</u>	<u>Meter</u>	<u>Total</u>
21	5/8" x 3/4" Meter	\$ 430.00	130.00
22	3/4" Meter	430.00	230.00
	1" Meter	480.00	290.00
23	1-1/2" Meter	535.00	500.00
	2" Meter Turbine	815.00	1,020.00
24	2" Meter Compound	815.00	1,865.00
	3" Meter Turbine	1,030.00	1,645.00
25	3" Meter Compound	1,150.00	2,520.00
	4" Meter Turbine	1,460.00	2,620.00
26	4" Meter Compound	1,640.00	3,595.00
	6" Meter Turbine	2,180.00	4,975.00
27	6" Meter Compound	2,300.00	6,870.00

SERVICE CHARGES:

1	Establishment	\$ 35.00
	Establishment (After Hours)	45.00
2	Reconnection (Delinquent)	45.00
	Reconnection (Delinquent)	50.00
3	Meter Test (If Correct)	45.00
	Deposit	*
4	Deposit Interest	*
	Re-establishment (Within 12 Months)	**
5	NSF Check	25.00
	Deferred Payment	1.5%
6	Meter Re-read (If Correct)	20.00
	Late Payment Charge (Per Month)	***
7	Charge for Moving Meter	****

8 * Per Commission Rule A.A.C. R14-2-403(B).

9 ** Per Commission Rule A.A.C. R14-2-403(D).

10 *** 1.5 percent on the unpaid balance per month.

11 **** Main Extension are addressed separately in the Arizona Administrative Code are not
part of this tariff and should be removed from this tariff

12 IT IS FURTHER ORDERED that the above rates and charges shall be effective for all
13 services provided on and after July 1, 2010.

14 IT IS FURTHER ORDERED that F. Wayne & Dorothy Thompson dba West Village Water
15 Company shall notify its customers of the revised rates and charges authorized herein and their
16 effective date, in a form acceptable to the Commission's Utilities Division Staff, by means of an
17 insert in its next regular scheduled billing.

18 IT IS FURTHER ORDERED that in addition to collecting its regular rates and charges, F.
19 Wayne & Dorothy Thompson dba West Village Water Company, shall collect from its customers a
20 proportionate share of any privilege, sales, or use tax as provided for in A.A.C. R14-2-409(D).

21 IT IS FURTHER ORDERED that F. Wayne & Dorothy Thompson dba West Village Water
22 Company shall maintain its records on a going forward basis, in accordance with the National
23 Association of Regulatory Utility Commissioners Uniform System of Accounts.

24 IT IS FURTHER ORDERED that F. Wayne & Dorothy Thompson dba West Village Water
25 Company shall file with Docket Control, as a compliance item in this docket, a document stating it is
26 in compliance with its record keeping in accordance with the National Association of Regulatory
27 Utility Commissioners Uniform System of Accounts within six (6) months of the effective date of
28

1 this Decision.

2 IT IS FURTHER ORDERED that F. Wayne & Dorothy Thompson dba West Village Water
3 Company shall monitor its water loss for a 12-month period and prepare a water loss reduction report
4 in accordance with Findings of Fact No. 78 (m).

5 IT IS FURTHER ORDERED that F. Wayne & Dorothy Thompson dba West Village Water
6 Company is authorized to obtain a 20-year amortizing loan through the Water Infrastructure Finance
7 Authority of Arizona for an amount not to exceed \$351,944, and an interest rate not to exceed the
8 current Water Infrastructure Finance Authority subsidized rate at the time the loan is executed, to
9 finance a capital improvement of a new deep well as described herein.

10 IT IS FURTHER ORDERED that F. Wayne & Dorothy Thompson dba West Village Water
11 Company is authorized to obtain a 20-year amortizing loan through the Water Infrastructure Finance
12 Authority of Arizona for an amount not to exceed \$173,056, at an interest rate not to exceed the
13 current Water Infrastructure Finance Authority subsidized rate at the time the loan is executed, to
14 finance locating and mapping the distribution system, installing gate valves on the system to isolate
15 portions of the distribution system, and replacing service taps and meters.

16 IT IS FURTHER ORDERED that F. Wayne & Dorothy Thompson dba West Village Water
17 Company shall contact the City of Flagstaff and explore all available alternatives to the capital
18 improvements described above in accordance with Findings of Fact No. 78 (a).

19 IT IS FURTHER ORDERED that the authorization to obtain the above referenced financing
20 through the Water Infrastructure Finance Authority shall not be not become effective until after F.
21 Wayne & Dorothy Thompson dba West Village Water Company has complied with items listed in
22 Findings of Fact No. 78 (a), to demonstrate that becoming a master meter customer of the City of
23 Flagstaff is not a viable alternative to constructing a new well.

24 IT IS FURTHER ORDERED that F. Wayne & Dorothy Thompson dba West Village Water
25 Company is hereby authorized to engage in any transactions and to execute any documents necessary
26 to effectuate the financing authorizations granted herein.

27 IT IS FURTHER ORDERED that such authority is expressly contingent upon F. Wayne &
28

1 Dorothy Thompson dba West Village Water Company's use of the proceeds for the purposes set forth
2 in its finance application.

3 IT IS FURTHER ORDERED that approval of the financing set forth herein does not
4 constitute or imply approval or disapproval by the Commission of any particular expenditure of the
5 proceeds derived thereby for purposes of establishing just and reasonable rates.

6 IT IS FURTHER ORDERED that F. Wayne & Dorothy Thompson dba West Village Water
7 Company shall file, within sixty (60) days of obtaining the financing, with the Commission's Docket
8 Control, as a compliance item in this docket, copies of all executed documents setting forth the terms
9 of the financing.

10 IT IS FURTHER ORDERED that the authorization for F. Wayne & Dorothy Thompson dba
11 West Village Water Company to incur debt, as described herein, shall terminate eighteen (18) months
12 from the effective date of this Decision.

13 IT IS FURTHER ORDERED that F. Wayne & Dorothy Thompson dba West Village Water
14 Company is authorized to implement a financing surcharge mechanism to meet its principal and
15 interest obligations on the Water Infrastructure Finance Authority loan and as set forth in Findings of
16 Fact No. 78 and below.

17 IT IS FURTHER ORDERED that F. Wayne & Dorothy Thompson dba West Village Water
18 Company shall file with the Commission a Water Infrastructure Finance Authority loan surcharge
19 tariff application within sixty (60) days of closing on the loan and in accordance with the
20 methodology set forth in Finding of Fact No. 78 (h).

21 IT IS FURTHER ORDERED that any finance surcharge shall be implemented only after
22 Commission approval of the loan surcharge tariff.

23 IT IS FURTHER ORDERED that the authorization for F. Wayne & Dorothy Thompson dba
24 West Village Water Company to collect the finance surcharge and to obtain the Water Infrastructure
25 Finance Authority loan shall be rescinded if the funds from the Water Infrastructure Finance
26 Authority loan are not drawn upon within eighteen (18) months of the effective date of this Decision.

27 IT IS FURTHER ORDERED that F. Wayne & Dorothy Thompson dba West Village Water
28 Company shall file a new rate case within five (5) years of the effective date of this Decision and if

1 F. Wayne & Dorothy Thompson dba West Village Water Company fails to file a new rate case within
2 the time frame described above, any authorized finance surcharge shall immediately cease.

3 IT IS FURTHER ORDERED that F. Wayne & Dorothy Thompson dba West Village Water
4 Company shall file with Docket Control, as a compliance item in this docket, within one (1) year of
5 closing the Water Infrastructure Finance Authority loan on the well project, a copy of the Arizona
6 Department of Environmental Quality Certificate of Approval to Construct for the new deep well
7 project.

8 IT IS FURTHER ORDERED that F. Wayne & Dorothy Thompson dba West Village Water
9 Company shall file, as a compliance item in this docket, within forty-five (45) days of the effective
10 date of this Decision, a curtailment tariff for review and certification by Staff in the form found on
11 the Commission's website.

12 IT IS FURTHER ORDERED that F. Wayne & Dorothy Thompson dba West Village Water
13 Company shall adopt and use Staff's recommended depreciation rates as outlined in Table B of the
14 Engineering Report.

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1 IT IS FURTHER ORDERED that F. Wayne & Dorothy Thompson dba West Village Water
2 Company shall annually file, as part of its Annual Report, an affidavit with the Utilities Division
3 attesting that the Company is current in paying its property taxes in Arizona.

4 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

5 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.
6

7 CHAIRMAN

COMMISSIONER

9 COMMISSIONER

COMMISSIONER

COMMISSIONER

10
11 IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,
12 Executive Director of the Arizona Corporation Commission,
13 have hereunto set my hand and caused the official seal of the
14 Commission to be affixed at the Capitol, in the City of Phoenix,
15 this _____ day of _____, 2010.

16
17 ERNEST G. JOHNSON
18 EXECUTIVE DIRECTOR

19 DISSENT _____

20 DISSENT _____
21 YBK:db

1 SERVICE LIST FOR: F. WAYNE & DOROTHY THOMPSON DBA WEST
2 VILLAGE WATER CO.

3 DOCKET NOS.: W-03211A-08-0621 and W-03211A-08-0622
4

5 F. Wayne and Dorothy Thompson
6 WEST VILLAGE WATER COMPANY
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